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# THE SILVER INSTITUTE LETTER

WORLDWIDE INFORMATION ON SILVER

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## WORLD USE OF SILVER IN COINAGE DOUBLED IN 1986

*Five-ounce silver Chinese coin honoring Dr. Sun Yat-Sen*

Worldwide use of silver in coinage increased from 13.4 million troy ounces in 1985 to 26.8 million ounces of pure silver in 1986. This silver was consumed by 73 nations in the minting of 259 issues of legal tender silver coins, according to the publication, *Modern Silver Coinage-1986*, published by The Silver Institute in Washington, D.C.

This booklet contains a new statistical table that lists the Top Ten Users of Silver in Coinage in 1986. **The five biggest users of pure silver in coinage**, in order of ounces consumed—were the United States (10.3), Japan (6.4), France (2.4), Mexico (2.0) and Canada (1.3).

*Modern Silver Coinage-1986* includes another new table covering the top ten users and total global use of silver in coinage since 1977. This table shows that the 1986 leap to 26,835,587 ounces represents a **continuation of an upward trend in the use of silver in coins** that began in 1981. Only 5.9 million ounces of silver were used in coinages in 1981, but by 1983 this figure had climbed to 9.9 million ounces. And on up to 13.4 million in 1985.

This is a unique reference booklet because it is the *only* publication that offers the reader authoritative data on the percent of pure silver used in each coin, troy ounces of silver per coin, number of coins per issue, total ounces of silver used in each issue, as well as the diameter, weight and brief description of each coin.

Data published in *Modern Silver Coinage-1986* was obtained by The Silver Institute through the cooperation of ministries of finance, central banks, government and private mints, and numismatic experts throughout the world.

*Modern Silver Coinage-1986* is a *limited edition*, but while supplies last, it is available for *only* $30.00 at **The Silver Institute, 1026 Sixteenth Street, N.W., Suite 101, Washington, D.C. 20036.**

## SILVER WATER PURIFICATION MAY BENEFIT MILLIONS

Since 1893, medical science has used silver as a powerful bactericide and fungicide. In fact, relatively small amounts of silver in drinking water have proven effective against Salmonella bacteria and against viruses such as Herpes. And *no* studies have ever shown that silver is harmful to man.

In a long-delayed recognition of these facts, on July 8, 1987, the *Federal Register* carried an announcement of the elimination of silver from the Environmental Protection Agency's primary Threshold Limit Value list for drinking water.

This means that after observing an official five month "waiting period", **silver can once again be used to purify the water in municipal supply systems that provide drinking water for millions of U.S. homes.** This will be particularly beneficial to people living in warmer climates where the sun's heat evaporates chlorine from reservoirs, leaving drinking water unprotected against dangerous bacteria.

## DRAMATIC INCREASE IN DEMAND FOR SILVER JEWELRY

U.S. imports of one classification of silver jewelry increased 89.3% from $5.6 million in 1985 to $10.6 million in 1986, according to the U.S. Department of Commerce.

If the recent Basel Fair '87 in Switzerland is an accurate indicator, global buyers confirmed the popularity of silver jewelry. They were most interested in bold, designed silver hollow chains, massive chains and patterned or cast pieces. Silver for both men and women sold well.

And in the U.S., a dramatic increase in sales of sterling silver jewelry was reported by a member of The Silver Institute. Victor Goldberg, President of **VFG Designs, Ltd.**, 25 West 45th Street, New York,

NY 10036, said that **VFG Designs' silver jewelry manufacturing business increased 110% in 1985 and 90% in 1986.** And in 1987, he projects "tremendous growth" for silver jewelry and steadily increasing demand for sterling silver tabletop and giftware.

Mr. Goldberg attributes his company's impressive growth to two factors: first, the high fashion quality of its diversified line of silver jewelry, tableware and giftware; second, excellent customer services, including a fresh outlook on design, prototypes and completed products.

However, the growth of the sterling silver business is not limited to VFG Designs, Ltd. In its March 1987 issue, *Jewelers Circular-Keystone* magazine reported, **"Silver jewelry is booming. Soaring demand has produced annual sales increases as high as several hundred percent for major silver suppliers.** Indeed, manufacturers variously describe their 1985 and 1986 sterling sales as 'astounding,' 'fabulous' and 'beyond our wildest dreams.' What's more, they predict '87 will be even better."

## CANADA ISSUES 22ND COMMEMORATIVE SILVER DOLLAR

Canada's 1987 silver commemorative dollar (*pictured below*) commemorates the 400th anniversary of navigator John Davis' exploration of the Baffin Islands, Cumberland Sound and the Davis Straight in the eastern Canadian Arctic.

This .500 fine silver dollar measures 36.07mm in diameter and weighs 23.33 grams. It is the 22nd coin in a series which began in 1935 with the minting of a coin commemorating the 25th anniversary of the accession of King George V.

As with previous Canadian silver dollar commemoratives, the Royal Canadian Mint's newest silver dollar has all of the qualities desirable to collectors—limited mintage, a particularly fine design and uniqueness of subject matter.

The 1987 proof silver dollar sells for $15.00 and the brilliant uncirculated dollar, $11.00. They are available by mail order from the **Royal Canadian Mint, P.O. Box 457, Station A, Ottawa, Ontario, K1N 8V5, Canada or at coin dealers.**

## INTERIOR DESIGNERS USING MORE SILVERED MIRRORS

Between 1977 and 1985, the U.S. mirror market grew 69% from $409.4 million to $693.5 million, according to the U.S. Department of Commerce's latest Annual Survey of Manufacturers. And mirror industry sources report that use of silver in mirrors has increased from 900,000 troy ounces in 1983 to 1.2 million ounces in 1986.

This steadily increasing demand for silvered mirrors, according to the **Mirror Manufacturers (NAMM)** in Potomac, MD, is due, in great part, to two things: one, an improvement in the quality of mirrors; and two, interior designers now have a greater appreciation of the values of mirrors in both residential and commercial applications.

Regarding the first point, the NAMM reports: "Today's mirrors are better in every way from those made just a decade ago. Surfaces are flatter and there are fewer surface and internal imperfections. State-of-the-art technology is employed to assure a better sheet of glass for silvering. *Silvering methods have improved to provide maximum depth and reflectivity.* Better copper solutions and baked enamel coatings protect the silvering for long-lived performance."

And through an Annual Design with Mirrors Contest, sponsored by NAMM in cooperation with the **American Society of Interior Designers,** interior designers have won prizes of between $1,000 and $2,500 to encourage them to turn their thoughts to the creative and practical aspects of the architectural use of mirrors. NAMM full-color booklets feature photographs *(at left)* and descriptions of contest entries that can serve as "inspirational" or reference booklets for other interior designers.

## FAMOUS ARTISTS + SILVER = PRECIOUS ART

In the depths of **Hecla Mining Company's** "Lucky Friday" silver mine in Coeur d'Alene, Idaho, a famous artist sketches the mine, mining equipment and silver miners at work.

From those sketches, **Deborah Copenhaver**, 3010 South Grandview, Spokane WA 99204, creates a finished drawing of a mature, dignified miner leaving the mine at the end of his work day. She calls the work, "Deep Enough . . . "

Then, from paper to a wax model, and using the lost wax process, it is then cast in fine silver. And 500 troy ounces of pure silver are taken from Hecla's mines to **The Maiden Foundry**, in Sandy, Oregon. There, the talents of Ms. Copenhaver, Mike Maiden and his team of 30 skilled artisans combine with the wonderful qualities of silver to produce a beautiful statue (*at right*).

*"Deep Enough . . ."*

The finished 30" statue of a silver miner was presented in recognition of and appreciation for the many years of service of the retiring Chairman of the Board of Hecla Mining Company, William A. Griffith.

In its 11 years of operation, the heaviest pure silver statue poured by The Maiden Foundry is the "Silver Spirit" by **Bill Killen** of Medford, Oregon. **This 2,400 troy ounce, 4 foot tall rendering of an American Eagle** *(at left)* **is the heaviest known pure silver statue in the world**—recently appraised at $250,000.

*"Silver Spirit"... 2,400 ounces of pure silver.*

In 1986, the Maiden Foundry dedicated a new 4,500 square foot area dedicated **exclusively** to the production of pure silver and gold original works of art by well-known, successful sculptors. Most of the statues weigh between 100 and 500 troy ounces.

Commenting on the market, Maiden's Executive Vice President of Sales, Bob Walker says, "Their success in the market place is phenomenal. Both collectors and investors, with an eye on the future, have bought up entire editions."

Additional information may be obtained by writing to **The Maiden Foundry, 16600 S.E. 362nd, Sandy, OR 97055 or by calling 1-800-422-8852.**

## EVERY CLOUD HAS A SILVER LINING

In the "Smart Money" column of the November 1986 issue of *Sylvia Porter's Personal Finance Magazine*, Nancy Dunnan writes "there's a cloud over silver. But that's actually good news for investors who are contrarians, those who believe the right time to buy an investment is when it's out of favor and low in price." Then she added that at the time of writing, silver was trading near the decade low of $4.81.

The magazine's clip-out description of the basics of investing in silver called the risk factor "Medium to High" and suggested $2,000 as a minimum investment. What would have happened if a "contrarian" had invested $2,000 in silver when it was selling for $5 per ounce? This investor would have received 400 ounces of silver. And if the 400 ounces had been sold on July 30, 1987 at the COMEX closing settlement price of $8.315 our "contrarian" would have received $3,326. That would have been a pretty nice "silver lining."

But some people haven't seen the "silver lining." On July 30, the nation's press carried headlines about the latest record-breaking advance of Dow Industrials, but ignored silver. However, when one looks at *USA Today*'s "Key Indicator" for July 30, the reader finds that although the value of the Dow Industrials rose 18.9% in the last six months, silver's value increased 47.8%! **More than any of the other "Key Indicators"!**

**1987 Silver Prices**

| 1987 | High | Low | Average |
|---|---|---|---|
| *to Date* | *11.25* | *5.35* | *6.77* |
| Jul. 87 | 8.30 | 7.16 | 7.72 |
| Jun. 87 | 8.09 | 6.75 | 7.43 |
| May 87 | 9.52 | 7.35 | 8.44 |
| Apr. 87 | 11.25 | 6.23 | 7.36 |
| Mar. 87 | 6.39 | 5.41 | 5.43 |
| Feb. 87 | 5.54 | 5.37 | 5.49 |
| Jan. 87 | 5.70 | 5.35 | 5.54 |

COMEX

**Annual Silver Prices 1977-1986**

| Year | High | Low | Average |
|---|---|---|---|
| 1986 | 6.19 | 4.87 | 5.46 |
| 1985 | 6.73 | 5.57 | 6.14 |
| 1984 | 10.03 | 6.26 | 8.14 |
| 1983 | 14.74 | 8.34 | 11.44 |
| 1982 | 11.21 | 4.88 | 7.94 |
| 1981 | 16.45 | 7.95 | 10.51 |
| 1980 | 48.00 | 10.80 | 20.63 |
| 1979 | 28.00 | 5.96 | 11.09 |
| 1978 | 6.29 | 4.82 | 5.40 |
| 1977 | 4.96 | 4.30 | 4.62 |

COMEX

## CONTINUED DECLINE IN OLD SCRAP SILVER REFINING

Year-to-date declines in secondary silver refining from old scrap offset increased primary refined production in both the U.S. and non-U.S. Silver Institute refining series. Average monthly total production in the U.S. in the January through June period of 1987 was 100,000 troy ounces less than during the same period in 1986. It was also down 100,000 in the non-U.S. category.

## LATEST SILVER INSTITUTE REFINING STATISTICS

Production and Disposition of 999 Silver by All Known Refiners in the United States

| | TROY OUNCES | | MILLION TROY OUNCES | | |
|---|---|---|---|---|---|
| | June 1987 | May 1987 | Jan-Jun 1987 | Jan-Jun 1986 | Full Year 1986 |
| THESE REFINERS' PRODUCTION, BY SOURCE | | | MONTHLY RATE | | |
| From Primary (ores & concentrates) | 3,117,009 | 3,728,002 | 3.2 | 3.0 | 2.9 |
| From Coins | 0 | 0 | 0.0 | 0.0 | 0.0 |
| From Old Scrap (used photo film & other products) | 2,730,426 | 2,742,224 | 2.4 | 2.6 | 2.2 |
| From New Scrap (in-plant clippings, waste)* | 1,991,396 | 2,002,777 | 2.0 | 2.2 | 2.4 |
| TOTAL PRODUCTION | 7,838,831 | 8,473,003 | 7.6 | 7.7 | 7.5 |
| DISPOSITION BY THESE REFINERS | | | | | |
| Converted in Plant (consumed in fabricating, etc.) | 4,224,668 | 4,236,558 | 3.7 | 4.3 | 4.0 |
| Shipped Out as 999 Silver | 4,030,475 | 4,036,567 | 3.9 | 3.4 | 3.4 |
| TOTAL DISPOSITION | 8,255,143 | 8,273,125 | 7.6 | 7.7 | 7.5 |
| RESULTING CHANGE OF THESE REFINERS' | | | TOTAL FOR PERIOD | | |
| STOCKS (Production Minus Disposition) | -416,312 | 199,878 | 0.0 | 0.2 | 0.3 |
| THESE REFINERS' STOCKS AT END OF PERIOD | 314,630 | 730,942 | 0.3 | 0.3 | 0.4 |

Production and Disposition of **999 Silver** by All Known Refiners in Australia, Canada, Mexico, Peru, South Africa, Sweden and West Germany; and some other Refiners in Europe and Asia.

| | TROY OUNCES | | MILLION TROY OUNCES | | |
|---|---|---|---|---|---|
| | June 1987 | May 1987 | Jan-Jun 1987 | Jan-Jun 1986 | Full Year 1986 |
| THESE REFINERS' PRODUCTION, BY SOURCE | | | MONTHLY RATE | | |
| From Primary (ores & concentrates) | 13,807,391 | 13,624,792 | 14.0 | 13.5 | 13.7 |
| From Coins | 135,990 | 126,754 | 0.1 | 0.4 | 0.3 |
| From Old Scrap (used photo film & other products) | 3,629,204 | 2,472,883 | 3.6 | 3.9 | 3.7 |
| From New Scrap (in-plant clippings, waste)* | 1,535,068 | 496,115 | 0.9 | 0.9 | 0.8 |
| TOTAL PRODUCTION | 19,107,653 | 16,720,544 | 18.5 | 18.6 | 18.5 |
| DISPOSITION BY THESE REFINERS | | | | | |
| Converted in Plant (consumed in fabricating, etc.) | 2,132,059 | 1,324,119 | 2.1 | 1.6 | 1.7 |
| Shipped Out as 999 Silver | 17,362,856 | 14,565,324 | 16.2 | 17.2 | 17.0 |
| TOTAL DISPOSITION | 19,494,915 | 15,889,443 | 18.3 | 18.8 | 18.7 |
| RESULTING CHANGE OF THESE REFINERS' | | | TOTAL FOR PERIOD | | |
| STOCKS (Production Minus Disposition) | -387,262 | 831,101 | 1.6 | -1.1 | -2.8 |
| THESE REFINERS' STOCKS AT END OF PERIOD | 6,531,541 | 6,918,803 | 6.5 | 6.6 | 4.9 |

*PRODUCTION From New Scrap is 999 silver made from in-plant clippings, spillage, sweepings, etc., generated during manufacturing processes.

**THE SILVER INSTITUTE**
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